

Memorandum

To: KAY GRIFFIN, Chief
Office of Office Engineer

Date: March 13, 1998

From: DEPARTMENT OF TRANSPORTATION
Construction Program

File: QC/QA

Subject: Supplemental Funds For Projects with QC/QA Specifications for AC

Four percent of the estimated cost of asphalt concrete (AC) in supplemental funds for payment of incentive I am requesting that the District Office Engineers and District Project Managers include for projects involving Quality Control/Quality Assurance (QC/QA) specifications for AC. These specifications provide a statistical quality analysis of the contractor's performance and product which can result in as much as a 10 percent disincentive or a five percent incentive. The payment for this incentive/disincentive should include supplemental funds.

Initially, the QC/QA Steering Committee requested that no additional funds be included in Supplemental Funds until an evaluation of the contractor's performance was available. After nearly two years and more than fifty projects, we now know that our contractors and producers are able to meet, and more often, exceed the standards of the QC/QA specifications for AC. An evaluation of these projects' pay factors by both this office and Nichols Consulting Engineers (NCE), the independent evaluation team, shows that the QC/QA projects have been averaging approximately 1.04 pay factors for the AC item. This means that four percent of the bid total for asphalt concrete was paid from contingency funds.

Including four percent of the estimated AC cost in supplemental funds will free up the contingency funds for the extra work the Resident Engineer normally encounters.

Thank you for your prompt resolution to this issue. If you need assistance or any further information, please feel free to contact Joe Dobrowolski at (916)654-4352 or Terrie Bressette at (916)654-4135.

Original Signed By

BART GAUGER
Program Manager
Construction

cc: District Division Chiefs, Construction